

## Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 10201 01 OF 02 061324Z  
ACTION STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 AF-10 ARA-10  
EUR-12 NEA-10 OIC-02 JUSE-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15  
NSCE-00 SSO-00 ICAE-00 INRE-00 DOEE-00 /152 W  
-----031290 061343Z /44

O 061305Z JUL 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC IMMEDIATE 1690  
INFO ALL EC CAPITALS  
AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 10201

USMTN, USEEC  
ACTION STR PASS ELECTRICALLY  
STR PASS CODEL

E.O.11652:N/A  
TAGS: MTN, ETRD, EEC  
SUBJECT: EC CONDITIONAL TARIFF WITHDRAWAL LIST

REF: GENEVA 10167

1. EC DEL (DUGIMONT) DELIVERED TO U.S. MTN DEL ON JULY 4  
A COPY OF THE EC CONDITIONAL WITHDRAWAL LIST OF INDUSTRIAL  
TARIFFS. NOTING THAT HE WAS ACTING UNDER INSTRUCTIONS,  
DUGIMONT SAID THAT THE EC WISHES TO AVOID THE RISKS OF  
SURPRISE AND MISUNDERSTANDINGS CONCERNING ITS CONDITIONAL  
WITHDRAWAL LIST AND THEREFORE IS NOW CONVEYING IT TO THE  
U.S. AND JAPAN. (HOWEVER, THE EC GAVE IT TO CANADA THE  
FOLLOWING DAY.) ALTHOUGH THE LIST CONTAINS NO TEXTILE  
ITEMS, THERE IS A SEPARATE TEXTILE WITHDRAWAL LIST WHOSE  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 10201 01 OF 02 061324Z

USE WILL DEPEND UPON U.S. AND JAPANESE RESPONSES TO EC  
REQUESTS FOR IMPROVEMENTS IN THE TEXTILE AREA. THERE MAY  
BE A FURTHER LIST OF STEEL ITEMS, DUGIMONT CONTINUED,  
WHICH IS NOT YET DRAWN UP BECAUSE THE SITUATION IS UNCLEAR  
IN LIGHT OF THE CONDITION ON THE U.S. OFFER ON STEEL ITEMS  
CONTAINED IN THE HEADNOTE TO THE JANUARY 15 U.S. OFFER AS  
WELL AS THE EC DESIRE TO DEFER THE FIRST STAGE OF REDUC-

TIONS UNTIL 1982.

2. DUGIMONT SAID THAT THE EC HAD MADE NO DECISION WHETHER OR NOT TO IMPLEMENT THESE WITHDRAWALS; A DECISION ON EACH OF THE ITEMS LISTED AS WELL AS THE LIST AS A WHOLE WILL DEPEND ON THE OVERALL NEGOTIATING PROCESS AND ITS USE WILL REQUIRE FURTHER DECISIONS ON THE PART OF THE EC. IN RESPONSE TO OUR QUESTION AS TO WHAT THE EC EXPECTS THE U.S. TO DO, HAVING NOW SEEN THE EC LIST, DUGIMONT'S ONLY RESPONSE WAS "TO ACHIEVE BALANCE IN THE TARIFF AND NON-TARIFF MEASURES AREAS."

3. THE FOLLOWING IS A PRELIMINARY MTN DEL ANALYSIS OF THE LIST (ALL DATA REFLECT 1976 EC IMPORTS, EXPRESSED IN \$ MILLIONS):

(A) THE EC LIST CONTAINS 59 ITEMS. MFN IMPORTS AFFECTED EQUAL \$2,820 MILLION OF WHICH \$1,537 MILLION (55 PERCENT) ORIGINATES IN JAPAN, AND \$582 MILLION (21 PERCENT) IN THE U.S.

(B) TWENTY-SEVEN OF THE 59 ITEMS ARE U.S. INTEREST ITEMS. FOR 13 ITEMS, THE U.S. PREVIOUSLY REQUESTED IMPROVEMENT IN THE EC OFFER. EC IMPORTS FROM U.S. IN THESE WERE \$414 MILLION. THE REMAINING 14 ARE ITEMS WHERE U.S. WOULD SEEK MAINTENANCE OF THE EC OFFER. EC LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 10201 01 OF 02 061324Z

IMPORTS FROM U.S. IN LATTER GROUP WERE \$103 MILLION. IN A SMALL NUMBER OF CASES (FOUR ITEMS, \$14 MILLION), THE EC CONDITIONAL WITHDRAWAL AFFECTING A U.S. MAINTENANCE ITEM WOULD APPEAR INTENDED AS A THREAT TO A PARTY OTHER THAN THE U.S.

(C) KEY U.S. INTEREST ITEMS WHICH WOULD BE AFFECTED ARE SYNTHETIC ORGANIC DYESTUFFS (\$32 MILLION); SILICONES AND POLYESTERS (POLYCONDENSATION PRODUCTS) (70); PAINTS, VARNISHES, LACQUERS, ETC. (24); CONSTRUCTION AND MINING EQUIPMENT AND PARTS (170); PASSENGER AUTOS (67); AND WATCHES (INCLUDING DIGITAL) (41).

(D) IF FULLY CARRIED OUT, THE EC CONDITIONAL WITHDRAWALS WOULD LOWER THE EC WEIGHTED DEPTH OF CUT TO THE U.S. BY 1.4 PERCENTAGE POINTS; AND TO JAPAN BY 8.6 PERCENTAGE POINTS. FINAL EC DEPTH OF CUT TO THESE COUNTRIES, ASSUMING BOTH "POSSIBLE" AND "CONDITIONAL" LISTS ARE CARRIED OUT ARE: TO U.S. APPROXIMATELY 30 PERCENT; TO JAPAN APPROXIMATELY 20 PERCENT.

(E) CONDITIONAL WITHDRAWALS WOULD BE MOST DAMAGING TO

THE U.S. IN THREE SECTORS: CHEMICALS (\$55 MILLION IN U.S.  
TRADE IMPACTED); PLASTICS, ETC. (\$82 MILLION); AND  
CONSTRUCTION/MINING EQUIPMENT (\$176 MILLION). JAPANESE  
SECTORS SERIOUSLY AFFECTED ARE: AUTOMOTIVE(\$1,000  
MILLION OF JAPANESE TRADE IMPACTED); CONSUMER ELECTRONICS  
(\$270 MILLION); AND OPTICAL GOODS (\$90 MILLION).

4. PRODUCT DESCRIPTION OF EX-OUTS (SEE REFTEL):

EX2909 EPICHLHYDRINE  
EX3901C03 ALKYDS AND OTHER POLYESTERS, OTHER  
- THAN IN THE FORM OF PLATES, SHEET, FILM,  
- FOIL OR SHIP

EX8702A01B AUTOMOBILES  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 10201 01 OF 02 061324Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 10201 02 OF 02 061323Z  
ACTION STR-07

INFO OCT-01 EA-10 IO-13 ISO-00 STRE-00 AF-10 ARA-10  
EUR-12 NEA-10 OIC-02 JUSE-00 AGRE-00 CEA-01  
CIAE-00 COME-00 DODE-00 EB-08 FRB-03 H-01 INR-10  
INT-05 L-03 LAB-04 NSAE-00 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15  
NSCE-00 SSO-00 ICAE-00 INRE-00 DOEE-00 /152 W  
-----031287 061344Z /44

O 061305Z JUL 78  
FM USMISSION GENEVA  
TO SECSTATE WASHDC IMMEDIATE 1691  
INFO ALL EC CAPITALS  
AMEMBASSY TOKYO

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 10201

USMTN, USEEC  
ACTION STR PASS ELECTRICALLY  
STR PASS CODEL

5. DRAFTED BY MCNAMARA/MARSH. MCDONALD

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TARIFFS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978GENEVA10201  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780277-0477  
**Format:** TEL  
**From:** GENEVA USMTN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780792/aaaaczfy.tel  
**Line Count:** 171  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 4c79827a-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 4  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 GENEVA 10167  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2107631  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EC CONDITIONAL TARIFF WITHDRAWAL LIST  
**TAGS:** ETRD, MTN, EEC  
**To:** STATE USEEC  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/4c79827a-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014